

## **The complaint**

Mr G complains about the delays caused by Vanguard Asset Management, Ltd (Vanguard) when he attempted to switch his Self-Invested Personal Pension (SIPP).

## **What happened**

Mr G wished to switch his pension to another provider, seemingly because he had experienced previous issues with the service provided by Vanguard.

Vanguard received the request on 21 November 2023 but due to various errors in completing the appropriate tasks, it didn't transfer Mr G's units across to the new provider until 22 February 2024. And the cash transfer was sent the next day. However, afterwards the interest earned in this time was added to the account and this remained in cash with Vanguard until May 2024 before it sent this over to the new provider.

Our investigator looked into matters as the complaint hadn't been fully answered at the point it came to our service – as the loss calculation was yet to be done. Our investigator put forward her recommendation. Vanguard responded to say it had calculated the loss that Mr G had suffered by having his funds with it for too long compared to what he would've received with the new provider. At the time Mr G's funds had remained in cash, so it was a simple calculation comparing the rate of return the cash received with itself to the new provider over the period it should've transferred it from until the date it actually did.

Vanguard explained it had used a date of 20 December 2023 as the date the transfer should've occurred. It sent a detailed timeline explaining why this date had been chosen.

Vanguard also said it would refund any fees it took in that time without comparison to the fees Mr G would've paid on those funds with the new provider. It said it had made a refund to Mr G of a specific fee charged after the transfer should've been completed and it had paid across all the outstanding cash and redress to his new provider.

This offer was alongside the £250 it offered Mr G for the distress and inconvenience it had caused him through the delays and poor customer service.

Our investigator felt this was a fair and reasonable settlement and wrote to Mr G to explain why. She also explained that a charge refunded - of £94.46 (for the period of 19 October 2023 to 18 January 2024) had been paid in full, despite some of this charge being applicable (for the period of 19 October 2023 to 20 December 2023.).

Mr G responded to say he still wasn't happy. He didn't have anything to say specifically about the settlement but felt that Vanguard hadn't been punished and that Vanguard should be closed to new business. Our investigator had already explained this wasn't within our as we are not the regulator.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable

in the circumstances of this complaint.

Our role is to look into individual disputes as our investigator has explained. Mr G hasn't commented on anything he disagreed with in terms of putting right any losses the delays may have caused him. So I've taken from that, he is satisfied that at least the financial side of matters has been settled fairly – even if he remains of the view that Vanguard should be penalised for their actions. And so I don't think it is necessary to discuss the settlement offer in the method behind it in a lot of detail.

I appreciate Mr G believes that the cost to Vanguard isn't punishment enough for the poor customer service it provided him. But we're not the regulator and so it is not within our remit to do anything other than put him back into the position he would've been in had his switch been processed in a timely manner.

For absolute clarity, I've looked at the offer made by Vanguard and I think it is fair and reasonable and adequately compensates Mr G for the loss of growth, the additional charges he paid and for the distress and inconvenience caused.

Vanguard offered Mr G £250 for the distress and inconvenience its delays caused him and I think that is fair. Whilst I'm sure the delay was frustrating for Mr G and he had to chase the business a number of times, there was no other extenuating circumstances such as needing access to the money or losing out on access to other investments. So I think £250 is broadly in line with what I would've awarded had it not already made an offer.

Vanguard says it has already paid the compensation for the comparison regarding its cash interest offer compared to the new provider's and all the remaining funds including the leftover cash have been sent over. It says it also sent the £94.46 fee refund directly to Mr G. Within its response to our investigator about its offer it told us:

The outstanding cash was transferred on 9 May 2024. Any outstanding fees were waived by Vanguard on 22 April prior to this point. The client's investment/sub-account is closed; however, they still have online access to view any documents they may wish to do so for the next 5 years.

The loss of interest assessment was completed and paid to the client's new provider on 23 May, the following note was sent to the client on 16 May after the calculations had been done:

'I hope you're well. Thank you for your patience whilst we reviewed your outstanding interest from your SIPP transfer to AJ Bell. We have calculated a loss of interest totaling £72.53 as there was a delay of 65 days to your transfer. We calculated the transfer proceeds at the new rate of 3.75% for 65 days and removed the 2.6% existing interest already paid by Vanguard. We have requested a payment of £72.53 to AJ Bell today to be applied to your new SIPP as a result.'

The fee of £94.46 was one of two fees charged for periods that at least in part were after the transfer should've occurred. There was a smaller fee applied on 18 April 2024 to cover the fee period of 19 Jan 2024 to 18 Apr 2024 of £35.94. It appears the above email is suggesting all fees charged prior to this point were waived and so this fee should've either been refunded to Mr G directly or cancelled and formed part of the balance sent over to Mr G's new provider. The offer put forward was for all charges to be refunded that shouldn't otherwise have been paid, so this fee should be included within any redress calculation. Vanguard's communication to us suggests it has refunded this fee by way of cancelling it but the wording leaves room for ambiguity. So to be clear if it hasn't already done so, this fee should be refunded as well to Mr G either directly or by payment to his new provider.

### **Putting things right**

To put things right Vanguard needed to:

- Pay Mr G the loss he suffered with the cash sitting with it for longer than it should've done compared to the offering of the new provider
- Refund all fees taken post 20 December 2023 either to Mr G directly or to his pension provider.
- Send over any remaining cash held within its accounts.
- Pay Mr G £250 for the distress and inconvenience caused.
- Send Mr G a clear explanation of all the redress it has paid him.

I understand Vanguard has already made these payments but if it hasn't done so it should make any outstanding payments as soon as possible – and it will need to send Mr G confirmation of all the redress paid.

### **My final decision**

For the reasons explained, I require Vanguard Asset Management, Ltd to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 14 November 2024.

Simon Hollingshead  
**Ombudsman**